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No. 343

In the

Supreme Court of the United States

OCTOBER TERM, 1962

AKSHUN MANUFACTURING COMPANY, a corporation, and KENT INDUSTRIES, INC., a corporation,
Petitioners,

v.

NORTH STAR ICE EQUIPMENT COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners pray that a writ of certiorari issue to review a judgment of the United States Court of Appeals for the Seventh Circuit.

OPINIONS BELOW

The findings of fact, conclusions of law, and judgment of the United States District Court for the Northern District of Illinois (set out Appendix A, *infra*) is not reported. The opinion of the United States Court of Appeals for the

Seventh Circuit (set out Appendix B, *infra*) is reported at *301 F. 2d 882.*

JURISDICTION

The judgment of the United States Court of Appeals was entered March 20, 1962; the timely petition for rehearing was denied on May 24, 1962. The jurisdiction of this Court is invoked under 28 U. S. C. §1254(1).

QUESTIONS PRESENTED

1. May Court of Appeals ignore application of Federal Rule of Civil Procedure 52 to trial court's finding of patent infringement (not shown to be clearly erroneous) because portion of infringement evidence was documentary?

2. May Court of Appeals resolve subservient fact issues which were not expressly included in trial court's findings of fact in a light unfavorable to trial court's judgment?

3. May Court of Appeals, under the guise of affirming, declare a patent invalid where trial court's findings stated the patent to be *invalid* and *if valid*, not infringed, but where trial court's judgment order (a) denied plaintiff-Respondent any equitable relief because of unclean hands and (b) contained no specific mention of patent or its validity?

[Note: The patent involved in Questions 1 and 2 is *not* the same patent referred to in Question 3.]

RULE INVOLVED

Federal Rule of Civil Procedure 52 (in relevant part):

"*Rule 52. Findings by the Court:*

(a) EFFECT. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment; * * * Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. * * *"

STATEMENT

Respondent, North Star Equipment Company, instituted a declaratory judgment proceeding in the Northern District of Illinois to declare two patents owned by Petitioner, Akshun Manufacturing Company, to be invalid and not infringed. The patents concern a two-function knife used in removing ice formed on the inside surface of a cylindrical drum (#2,659,212); and an ice machine overflow trough (#2,683,357). Petitioner counterclaimed for damages due to infringement of its patents and for injunctive relief. The District Court, after approximately ten days of trial hearings over a two-week period, and after examining numerous documents and exhibits, made findings of fact and conclusions of law pursuant to Federal Rule 52 (Appendix A, *infra*). The District Court, as a conclusion of law, found Patent No. 2,659,212 was valid and, as a finding of fact, that the patent

was infringed by Respondent, North Star. Judgment was accordingly entered in favor of the Petitioner. The District Court found that the *Respondent*, North Star, came into court with unclean hands and was acting in bad faith and had "*deliberately* and *fraudulently* appropriated the improvement * * * in patent No. 2,659,212." (Emphasis added.) The District Court, in reference to Patent No. 2,683,357, found the patent invalid and if valid, not infringed by the Respondent, but the District Court's judgment order in paragraph 6. (Appendix A, *infra*) denied Respondent all equitable relief and was otherwise silent in reference to this patent.

The Seventh Circuit overruled the trial court's finding that Patent No. 2,659,212 was infringed by the Respondent, but did not expressly hold that the trial court's finding of infringement was "clearly erroneous." Instead, the Court stated: "The evidence on the question of infringement is almost entirely documentary or in the form of physical exhibits." But besides the documentary evidence as to infringement, the transcript of record reflects over 700 pages of *oral testimony* including *expert testimony* as to infringement and the technical functions performed by the patent device. The Seventh Circuit also reversed the determination of the District Court that the Plaintiff-Respondent came into court with unclean hands, (findings 13, 14, & 15) without expressly stating or demonstrating that such finding was clearly erroneous; and resolved subservient facts in a light unfavorable to evidence supporting the trial court's judgment. (See pp. 8-11, *infra*, for specific illustrations.) Finally the Seventh Circuit affirmed as a holding that Patent

No. 2,683,357 was invalid, although the court noted that no similar ruling was contained in the District Court's judgment and the District Court had denied the Respondent all equitable relief.

REASONS FOR GRANTING THE WRIT

I. The decision below presents important questions regarding the application of Federal Rule 52 in patent infringement suits, and is in probable conflict with the principles of Graver Tank & Manufacturing Company v. Linde Air Products Company, 336 U. S. 271 and 339 U. S. 605.

The Seventh Circuit reversed the trial court's determination that Respondent, North Star, was infringing petitioner's patent without expressly stating that the finding of infringement was clearly erroneous under Federal Rule 52. This Court in *Graver Tank & Manufacturing Company v. Linde Air Products Company, 336 U. S. 271; on rehearing, 339 U. S. 605*, held the *clearly erroneous rule* applicable to patent infringement suits. On the original hearing in *Graver* this Court reversed the judgment of the court of appeals insofar as it had reversed the judgment and findings of the trial court decree. On rehearing this Court stated that "A finding of equivalence is a determination of fact", and affirmed the district court's judgment as to infringement. Here, finding 15 of the trial court was based on the doctrine of *equivalence*. (Appendix A, *infra.*) Thus there should be no doubt that Rule 52 applies to a trial court's determination of patent infringement. See also *5 Moore's Federal Practice (2d ed. 1951)* §52.05 [2]: "Find-

ings of fact in litigation involving the validity and infringement of patents are, like factual findings in other litigations, binding upon the appellate court 'unless clearly erroneous'."

The Seventh Circuit sought to justify its overthrow of the trial court's finding that Patent No. 2,683,357 was infringed by expressly stating the evidence to infringement was largely documentary. *301 F. 2d 882, 885.* An observation somewhat difficult to reconcile with existence of a several hundred page transcript of trial hearings which included *substantial expert testimony* regarding the very heart of the infringement issue.* To the extent the Seventh Circuit's observation is incorrect (and Petitioner so contends) a conflict exists with the rationale of this Court's opinion on *Graver.*

> "Rule 52(a) of the Federal Rules of Civil Procedure provides in part: 'Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.' To no type of case is this last clause more appropriately applicable than to the one before us [patent], where the evidence is largely the testimony of experts as to which a trial court may be enlightened by scientific demonstrations." *336 U. S. 271, 274.*

To the extent that the review of a finding based in part on documentary evidence is involved, an important question is raised over which the decisions of the various circuits are in apparent conflict and which warrants authoritative

*Perhaps, coincidently, the same amazing mistake (that the evidence was entirely documentary) occurred in the Respondent-North Star Reply Brief (pp. 7, 8, 9). The expert witnesses Lees and Watkins were called by the Petitioner. The *Respondent* offered no expert witnesses.

resolution by this tribunal. Consistent with the instant disregard for the trial court's findings, the Seventh Circuit had previously stated in *Carter Oil Co. v. McQuigg, 112 F. 2d 275, 279 (1940)*, that a district court's findings of fact, where the testimony consists of documentary evidence and depositions, is " 'subject to free review unaffected by presumptions which ordinarily accompany * * * findings on controverted issues' ". Contrawise the Sixth Circuit in *United States v. Allinger, 275 F. 2d 421, 423 (1960)*, stated "[t]his rule [52(a)] is applicable to inferences drawn from documents of undisputed facts" citing *United States v. United States Gypsum Co., 333 U. S. 364, 394.* And Judge Charles E. Clark, the reporter of an advisory committee that drafted Rule 52, observed in *Heim v. Universal Pictures Co., Inc., 154 F. 2d 480, 491 (CCA 2d, 1946)* (concurring opinion), "Even though the judge did not see or hear the important witnesses, we cannot disregard this findings for that reason, Advisory Committee's Note to F.R. 52(a) * * *". See also Clark, *Special Problems in Drafting and Interpreting Procedural Codes and Rules (1950), 3 Vanderbilt L. Rev. 493, 506*: "* * * and now the definitely erroneous gloss is being stated in place of the rule itself [52a] to the effect that the stated rule [clearly erroneous] does not apply at all unless the trial judge saw the witnesses in person."

With the increasing utilization of documentary evidence in all types of cases the importance of a decision by this Court is self-evident. In patent infringement actions the need for Supreme Court precedent regarding use of docu-

mentary evidence is doubly important. First, patent infringement actions necessarily involve considerable documentary evidence and physical exhibits. Second, relatively few Supreme Court precedents exist to guide the Courts of Appeal as to their function on reviews; the last important pronouncement pertaining to patent infringement being the *Graver* decision of some ten years ago. Patent suits often involve long, arduous trials. The fruits of the trial court's labor should not be cast aside lightly on appeal.

II. The court below (1) in disregarding the findings of the trial court, (2) in resolving subservient facts in conflict with the trial court's decision, and (3) in substituting its own individual appraisal of the evidence, thus effectuating a review de novo, has so far departed from the accepted standards of appellate review that the exercise of the Supreme Court's supervisory powers over the Court of Appeals is warranted.

Petitioner does not wish to assume the mantle of proving "bad faith" on part of the Appellate Court, but even within the brevity required of a petition for Certiorari it can be demonstrated that the court below simply substituted its views of the facts for those both implicit and explicit in the trial court's judgment. This total disregard for the trial court's findings can be appreciated by simply comparing the trial court's determinations (Appendix A, *infra*) with the Seventh Circuit's opinion (Appendix B, *infra*).

As previously noted (p. 6, *supra*), the Seventh Circuit's statement that the evidence of infringement was largely

documentary is expressly repudiated by the very record. The Circuit Court also categorically stated in its opinion that the ice flaking machine designed by the inventor Lees (from whom the petitioner acquired the valid patent) "was not successful." (*301 F. 2d 882, 884.*) However, Lees' testified that the machine in his presence worked and produced ice in great quantities. (Tr. 524-526, Appendix Brief for Def.-Appellee 15.) Branchflower (Respondent) had written a letter in which he admitted the Lees' machine produced twelve tons of ice a day which was a greater production rate than the North Star Machine. (Branchflower-File Wrapper Exhibit). There is no competent evidence to support the Seventh Circuit's view.

The trial court described Petitioner's patent as follows:

> "7. * * * The application disclosed and claimed a particular knife for removing a thin sheet of ice in flakes from the freezing surface on the inside of an upright drum-type ice making machine. The knives are carried on an arm revolving slowly around the freezing surface. Each knife has a horizontal leading portion with an edge adapted to score and form a groove in the ice. A plurality of knives, one above the other, are present to score the ice into a plurality of parallel spaces grooves. Each knife also has a trailing portion riding in the groove previously formed by the leading portion. The trailing portion is tilted downwardly at an angle to the direction of movement to force the scored ice downwardly, breaking the bond between the ice removal process."

The Respondent had hired Lees, the inventor, to build an ice machine and then simply attempted to *pirate* Lees' invention. The trial court which heard the testimonial evidence of

the principals, as well as considering the documentary evidence, found the Respondent North Star had come into the Court with unclean hands. As revealed by the trial court's findings the evidence relating to the bad faith of the Respondent is also decisive to the infringement by the Respondent.

> "13. The blades used in North Star ice makers were constructed in a deliberate attempt to appropriate the improvements developed by Lees during the period when Lees was engaged by contract to build a working ice machine for North Star's predecessor, the Lyle Branchflower Company. That contractual arrangement did not contemplate the alienation by Lees of any improvements developed by him for any but the single ice machine which he was engaged to construct for use by Branchflower.
>
> "14. The evidence clearly shows that Branchflower intended to produce and sell ice machines in quantity at the time Lees was engaged to construct a machine. It was not until after the machine was constructed that Branchflower disclosed its intention to manufacture and market the machine as its own creation. Upon termination of Lees' said engagement, the Branchflower organization launched its ice making machine business.
>
> "15. The North Star blades were constructed in an attempt to depart as far from the physical features of the Lees blade as would be consistent with retaining the two-part function and method of the Lees blade. To the extent that the physical features of the North Star blade differ from the physical features of the Lees blade, any such differences are immaterial. The North Star blades perform the same function in the same way to accomplish the same result as the patented blades. The North Star blades, being the equivalent of the patented blades, infringe claims 1 and 2 of patent 2,659,212; and the North Star ice machines which incorporate the said equivalent infringing blades, being themselves the

equivalent of the patented combinations, infringe claims 5, 6, 7 and 8 of patent 2,659,212."

Without discussion the Seventh Circuit reversed the trial court's determination of unclean hands *(301 F. 2d 882 at 886)*.

The Appellate Court sought to undermine the trial court's finding of infringement, first, by invoking the doctrine of file wrapper estoppel; and second, by stating "* * * the North Star tool completely lacks the element of leading, scoring, groove-forming edge and also its groove-forming function." *(301 F. 2d 882, 886.)* First, the determination by the trial court that the Respondent infringed claims 1 through 8 of petitioner's patent *factually* precludes application of the estoppel doctrine. (F.R.C.P. 52(a).) Second, the statement regarding the cutting function of the accused knife is not only contrary to the trial court's finding and that of the Petitioner's witnesses (Lees and Watkins), but is repudiated by the Respondent's own admissions contained in the service manual of the Respondent's machine. (Appendix Brief for Pl.-Appellant pp. 260-261.)

If the Seventh Circuit's opinion stands, the Respondent will accomplish what the trial court found so reprehensible—the stealing of the Petitioner's patent (Findings 13, 14, 15 and conclusion of law 11). The very purpose of patent laws is to prevent the wrongful exploitation of another's invention. As this Court appreciates, parties aggrieved by action of Federal District Courts have a *right* to appeal to the Court of Appeals, but parties aggrieved there may usually *only petition* for review. Besides the important question raised con-

cerning Rule 52, it is respectfully submitted that this cause warrants this Court to exercise its supervisory powers. With humble deference to the Seventh Circuit, its review of the instant case shows a cavalier disregard for the trial court's findings and for the proper relationship between trial and appellate court function.

CONCLUSION

For the foregoing reasons, this Petition for a Writ of Certiorari should be granted.

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APPENDIX A

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

[Heading Omitted]

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This matter having been fully tried before the Court, and the Court having read the pleadings filed herein by the respective parties, and the Court having heard and examined all the testimony, documents and exhibits presented by the respective parties and admitted into evidence, and the Court having read, heard and considered the briefs, memoranda and oral arguments submitted by counsel in support of their respective positions, and the Court being fully advised, the Court hereby enters its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

I. THE PARTIES, THE PLEADINGS, AND PRELIMINARY MATTERS

1. North Star Ice Equipment Company is a Washington corporation with its principal place of business in Seattle, Washington, and is engaged in the manufacture and sale of North Star Ice Makers for the production of ice in flake form.

2. Defendant, Akshun Manufacturing Company, is an Illinois corporation with an office in Chicago, Illinois, and is a patent holding company. Co-defendant, Kent Industries, Inc., is an Illinois corporation now involved in a proceeding in this Court under Chapter 11 of the Federal Bankruptcy Law and is a licensee of Akshun Manufacturing Company under its patents here in suit.

3. This suit was instituted by North Star for a declaratory judgment that Akshun's patent 2,659,212 is invalid and not infringed by North Star's ice removal tool, method of removing ice and ice machine combination, and that Akshun's patent 2,683,357 is invalid and not infringed by

North Star's ice machine overflow trough. Plaintiff further seeks to restrain defendants from suing, threatening to sue, or sending threats of suits or notices to plaintiff and customers or prospective customers of plaintiff charging infringement of the said patents. Finally, plaintiff requests damages allegedly sustained by reason of the said threats of suit.

4. Defendant Kent filed a counterclaim seeking to restrain plaintiff North Star from threatening purchasers and prospective purchasers of this defendants' machines with suit for infringement of plaintiff's patent 2,735,275, and for damages. On the first day of trial, the court granted this defendant leave to amend its prayer for injunction to refer to the specific number of this patent.

5. Akshun Manufacturing Company on February 14, 1957, filed suit in the Northern District of Wisconsin against Tillman Produce Company, Civil Action 2918, charging infringement of patents 2,659,212 and 2,683,357 by Tillman's use of an ice making machine manufactured by North Star Ice Equipment Company.

6. A bona fide controversy exists between the parties.

II. LEES PATENT, 2,659,212 IN SUIT

A. *The Scope and Limitations of the Patent.*

7. On September 8, 1950, application for patent 2,659,212, naming Gerald M. Lees as inventor, was filed in the Patent Office. The application disclosed and claimed a particular knife for removing a thin sheet of ice in flakes from the freezing surface on the inside of an upright drum-type ice making machine. The knives are carried on an arm revolving slowly around the freezing surface. Each knife has a horizontal leading portion with an edge adapted to score and form a groove in the ice. A plurality of knives, one above the other, are present to score the ice into a plurality of parallel spaced grooves. Each knife also has a trailing portion riding in the groove previously formed by the leading portion. The trailing portion is tilted down-

wardly at an angle to the direction of movement to force the scored ice downwardly, breaking the bond between the ice and the freezing surface and thus completing the ice removal process.

8. The file wrapper of the Lees patent shows that the application filed in the Patent Office on September 8, 1950, contained eleven claims. Claims 1, 2 and 3 claimed ice removal knives, describing the leading portion with its scoring or groove-forming function and the trailing portion with its angle to direction of movement to force the ice downward. Claims 4 and 5 of the original application were directed to the method of removing ice from a surface to which it is frozen by initially scoring the ice followed by the forcing of the ice downward by pressure applied to the ice along the score lines or grooves. Claims 6, 7 and 8 were directed to combinations of elements constituting flake ice making machines, including ice removal blades. Claims 9, 10 and 11 claimed mechanisms for scoring and flexing ice.

8. On July 19, 1951, as shown by the file wrapper, Lees added a new claim 13 to his application for patent 2,659,212. Claim 13 was broader than the original claims in that it omitted the leading part of the blade and its scoring or groove-forming function. Claim 13 claimed only the trailing part of the knife which is at an angle to the direction of movement of the knives, and would, had it been allowed, read on wedge-type one-part ice removal tools.

9. On December 17, 1951, the Patent Office rejected all then pending claims as unpatentable over prior art patent, Taylor 2,063,770. The applicant thereafter replaced all prior claims with eight replacement claims (14 and 15 claimed the two-part knife; 16 and 17 claimed the two-part method of removing ice; 18 through 21 claimed the machine for making ice and its removal by use of the claimed knife). The applicant also stressed to the Patent Office that the gist of the claimed invention was a knife having two distinct parts and functions, in which the leading part scores the ice to form a groove after which the trailing part rides in the groove and forces the ice downwardly.

10. On February 11, 1953, new claims 14, 15, 16 and 17 were rejected as unpatentable over the Taylor patent disclosure, and combination claims 18, 19, 20 and 21 were allowed. The combination claims describe the machines for making flake ice in general terms, but describe the blades which are part of the respective combinations with particularity, stating again their two-part description and function.

11. On May 13, 1953, claims 14 and 15 were amended to define the "substantially straight scoring edge" as "of substantial extent," and to describe the tilted shearing edge as "positioned at its forward part to ride in the groove" left by the scoring edge. At that time, too, method claims 16 and 17 were amended to limit their scoring function to forming grooves "throughout the extent of the freezing surface." The patent issued on November 17, 1953, with claims 14 through 21, as amended, becoming claims 1 through 8 of the patent. All claims in the patent have as a limitation a knife having the two physically distinct parts serving their separate functions.

B. *The Infringement Issue*

12. The North Star ice removing tools exemplified by plaintiff's exhibit 21 do have the leading portion element of the knives called for in each claim of patent 2,659,212. The North Star ice maker ice removal knives infringe claims 1 and 2 of the Lees patent in suit; the method by which the North Star knives operate infringe method claims 3 and 4 of the said patent in suit; and the North Star ice machines which incorporate the said infringing tools infringe combination claims 5, 6, 7 and 8 of the said patent in suit.

13. The blades used in North Star ice makers were constructed in a deliberate attempt to appropriate the improvements developed by Lees during the period when Lees was engaged by contract to build a working ice machine for North Star's predecessor, the Lyle Branchflower Company. That contractual arrangement did not contemplate the

alienation by Lees of any improvements developed by him for any but the single ice machine which he was engaged to construct for use by Branchflower.

14. The evidence clearly shows that Branchflower intended to produce and sell ice machines in quantity at the time Lees was engaged to construct a machine. It was not until after the machine was constructed that Branchflower disclosed its intention to manufacture and market the machine as its own creation. Upon termination of Lees' said engagement, the Branchflower organization launched its ice making machine business.

15. The North Star blades were constructed in an attempt to depart as far from the physical features of the Lees blade as would be consistent with retaining the two-part function and method of the Lees blade. To the extent that the physical features of the North Star blade differ from the physical features of the Lees blade, any such differences are immaterial. The North Star blades perform the same function in the same way to accomplish the same result as the patented blades. The North Star blades, being the equivalent of the patented blades, infringe claims 1 and 2 of patent 2,659,212; and the North Star ice machines which incorporate the said equivalent infringing blades, being themselves the equivalent of the patented combinations, infringe claims 5, 6, 7 and 8 of patent 2,659,212.

C. *The Validity Issue*

16. Lessard and Lees patent 2,585,020 (the same Gerald M. Lees aforesaid), prior art cited by plaintiff against the Lees patent in suit, was issued February 12, 1952, on an application filed July 26, 1948. The patent, in fifteen combination claims, describes an upright drum type of ice making machine with a plurality of revolving knives for removing the ice in flakes from the outside circumference of the drum. The knives are more particularly described as: "knife-edged wedges [which] crack the sheet of ice * * *, the knife edges of said wedges lying tangent to the drum surface and parallel one to another in planes defin-

ing right sections of the drum" (claim 1); "wedging knives" (claims 4, 5); "wedging knives [having] their wedge faces each sloped in a corresponding direction from the horizontal" (claim 6); "the knife being so formed and disposed that both wedging faces slope downwardly from [the] functioning edge" (claims 7, 8); "wedging means" (claims 10, 11). The Lessard and Lees patent was referred to of record by the examiner in the prosecution of the application which resulted in patent 2,659,212, but was not applied to disallow any claim therein sought. The Lessard and Lees patent disclosure does not anticipate or render invalid any of the claims of the Lees patent in suit. No claim in Lessard and Lees refers to or is equivalent with a two-part knife or a two-part method of removing ice.

17. Holden patent Reissue 13,000, prior art cited by plaintiff against the Lees patent in suit, was issued July 27, 1909, on an application filed March 25, 1909. This Holden patent was not cited by the Patent Office as a reference in the prosecution of the application which resulted in patent 2,659,212. It was introduced into evidence in this case without any expert or other testimony analyzing it or comparing it with the Lees patent in suit. Claims 17, 18, 21 and 22 of the said Holden patent read as follows:

> "17. In an ice machine, the combination of a vertical freezing cylinder, a vertical rotating shaft in the cylinder, and a series of cutters suspended from the shaft to different levels within the cylinder.
>
> "18. In an ice machine, the combination of a vertical freezing cylinder, a vertical rotating shaft in the cylinder, and a series of cutters suspended from the shaft in successive steps of elevation.
>
> "21. In an ice machine, the combination of a vertical tank, a rotating shaft in the tank, a series of lever-arms pivoted to the shaft, a series of depending bars or arms pivoted to the lever-arms, each depending bar or arm carrying a series of cutters, the cutters of the several series being arranged in successive steps of elevation.

"22. In an ice machine, the combination of a vertical tank, a rotating shaft in the tank, a series of lever-arms pivoted to the shaft, a depending bar or arm pivoted to each lever-arm, the depending bars or arms being of different lengths, and cutters at intervals carried by the depending bars or arms."

Except for the specification of the claimed two-part ice removal knives in combination claims 5 through 8 of the Lees patent in suit, one or more of the above claims 17, 18, 21 and 22 of the Holden patent Reissue 13,000 would anticipate and render invalid the said combination claims of the Lees patent in suit. Because of the specification of the two-part ice removal knives in combination claims 5 through 8 of the Lees patent in suit, none of the said claims 17, 18, 21 and 22 of the Holden patent anticipate or render invalid the said combination claims of the Lees patent in suit.

18. No claims of the Lees patent 2,659,212 in suit are anticipated or rendered invalid by the disclosures in Taylor patent 2,063,770, and Raver patent 2,308,541, less pertinent prior art cited by plaintiff against the said Lees patent.

III. ALBRIGHT PATENT 2,683,357 IN SUIT

19. Albright patent 2,683,357, filed October 26, 1951, issued July 13, 1954. The application disclosed an upright drum type of ice making machine and the patent, in claims 1, 2 and 3, claims a trough structure for catching an excess of water poured over the refrigerated drum surface to make ice. The particular structure claimed is a trough placed below the lower edge of the drum surface, and mounted on a rotor that carries the revolving ice removing knives. Another circular trough below the revolving trough is positioned to receive the water through a drain in the bottom of the revolving trough. Each of the 5 claims of Albright patent 2,683,357 requires a structure in which the revolving trough below the lower edge of the drum is present. Claims 4 and 5 define the trough as part of certain flake ice making machines.

20. North Star ice makers have not and do not contain a revolving trough of any kind. There is no infringement of any claim of Albright patent 2,683,357.

21. Prior art Lessard and Lees patent 2,585,021 was filed November 27, 1948 and issued February 12, 1952. The patent describes an upright drum type of ice making machine in which water in excess flows over the freezing surface of the drum and is caught in a revolving trough 30 which empties into a circular basin 31. The arrangement, structure and operation of the trough mechanism shown in prior patent 2,585,021 is substantially the same as claimed in claims 1, 2 and 3 and described in combination claims 4 and 5 of the later Albright patent 2,683,357 in suit. The disclosures of the earlier patent 2,585,021 anticipate and render patent 2,683,357 in suit invalid.

IV. BRANCHFLOWER PATENT 2,735,275

22. The validity of patent 2,735,275 is not before the court because there is no evidence that it is owned by any party to this suit or any party summoned before this court to defend the said patent, and because the pleadings do not place the validity of the patent in issue. The counterclaim of Kent Industries Inc. alleges that patent 2,735,275 is owned by North Star Ice Equipment Co., which allegation is denied. No evidence has been presented to support that allegation.

V. THE UNFAIR COMPETITION ISSUES

23. No evidence was offered concerning the counterclaim of Kent Industries Inc. for injunction and damages for customer threats alleged to have been made by plaintiff. The counterclaim, being thus unsupported on the record, must be dismissed on its merits.

24. In view of the findings by the court concerning plaintiff's infringement of Lees patent 2,659,212, the court finds that defendants' charges of infringement directed to plaintiff and plaintiff's customers were not unwarranted. There is insufficient evidence to permit a finding that the defend-

ants' charges of infringement and threats of suit went beyond the bounds of propriety.

CONCLUSIONS OF LAW

1. The court has jurisdiction of the parties to and the subject matter of this suit.

2. Claims 1 through 8, inclusive, of patent 2,659,212, in suit, are valid.

3. Claims 1 through 8, inclusive, of patent 2,659,212, in suit, have been infringed by plaintiff.

4. Claims 1 through 5, inclusive, of patent 2,683,357, in suit, are invalid for lack of invention in view of the prior art.

5. Claims 1 through 5, inclusive, of patent 2,683,357, in suit, if valid, have not been infringed by plaintiff.

6. The court has no jurisdiction over Lyle Branchflower or patent 2,735,275.

7. Plaintiff's claim for damages by reason of threats of suit by defendants must be denied and dismissed on its merits.

8. The counterclaim of defendant Kent Industries, Inc., for an injunction and damages by reason of threats of suit by plaintiff must be denied and dismissed on its merits.

9. Defendants are entitled to permanent injunction restraining plaintiff from infringement of patent 2,659,212.

10. Defendants are entitled to a judgment for damages from plaintiff for infringement of patent 2,659,212.

11. Plaintiff, having deliberately and fraudulently appropriated the improvements later disclosed by the inventor in patent 2,659,212, and having thereafter sought herein to invoke the equitable powers of this court on its behalf to restrain defendants from asserting rights in the said patent and in patent 2,683,357, has come into court with unclean hands. As to the equitable relief sought, the doctrine of unclean hands must be and hereby is invoked. Accordingly, all equitable relief should be denied.

/s/ JULIUS H. MINER
Judge

Dated: March 31, 1961

JUDGMENT ORDER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

[Heading Omitted]

This cause having come on for entry of judgment on the liability and equitable issues in the case, the court having rendered its Findings of Fact and Conclusions of Law, the court enters its judgment as follows:

1. The court has jurisdiction of the parties to and the subject matter of this suit.

2. Plaintiff is hereby permanently enjoined and restrained from infringing patent 2,659,212.

3. Plaintiff's claim for damages by reason of threats of suit by defendant is denied and dismissed on its merits.

4. The counterclaim of defendant Kent Industries, Inc., for an injunction and damages by reason of threats of suit by plaintiff is denied and dismissed on its merits.

5. The court has no jurisdiction over Lyle Branchflower or patent 2,735,275.

6. To the extent that plaintiff seeks equitable relief, plaintiff's suit is dismissed for want of equity.

7. Plaintiff is liable to defendants for damages for infringement of patent 2,659,212.

8. Proceedings for assessment of the said damages are hereby continued generally pending a motion by either party upon notice to the other.

s/ JULIUS H. MINER
Judge

Dated: APR 25 1961

APPENDIX B

OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

[Heading Omitted]

March 20, 1962

Before DUFFY and CASTLE, *Circuit Judges*, and MERCER, *District Judge*.

DUFFY, *Circuit Judge*. This suit is a declaratory judgment action asking the Court to declare United States Patent No. 2,659,212 invalid and not infringed by North Star's ice-removal tool, method of removing ice and ice-machine combination, and that Patent No. 2,683,357 is invalid and not infringed by North Star's ice-machine overflow trough. These patents are owned by defendant Akshun Manufacturing Company (Akshun). Kent Industries, Inc. (Kent) manufactured and sold ice machines and was a licensee under the two Akshun patents mentioned.

On September 8, 1950, Gerald Lees filed a patent application in the United States Patent Office which he assigned to Akshun. The patent issued on November 17, 1953 as Patent No. 2,659,212, and is the principal patent in suit.

The District Court held Patent No. 2,683,357 invalid, but if valid, not infringed. It held Patent No. 2,659,212 valid and infringed. Plaintiff's prayer for an injunction against alleged unfair trade practices was denied. The judgment order was silent as to Patent No. 2,683,357. The judgment permanently enjoined plaintiff from infringing Patent No. 2,659,212.

North Star Ice Equipment Company (North Star) was incorporated in 1950 in the State of Washington, and had its principal office and manufacturing facilities in the City of Seattle. North Star made and sold ice-making machines which produced flaked ice used in cooling fish and poultry.

The North Star machine utilized a cylindrical drum which opened downwardly into an ice storage space or room. The drum is refrigerated so that water poured down over its inner surface freezes on that surface into a sheet of ice. Slowly revolving blades or knives remove the ice from the cylinder in coin-sized flakes which fall into the ice storage room. It is the knives or blades in this machine that are the basis of the controversy in this suit.

Prior to 1950, Treuer, the President of North Star, and Lyle Branchflower were in the business of extracting vitamin-bearing oils from the livers of fish. The fish livers were obtained from the fishing fleet based in Puget Sound, and flaked ice was used in large quantities by the fishing boats to preserve the fish on the journey back to port. In 1945, North Star installed an ice-making plant which serviced the fishing fleet, but insufficient flaked ice was produced to fulfil the demand.

Gerald Lees had been working in refrigeration and building ice-making machines since 1944. In 1949, Branchflower entered into a written agreement with Lees whereby the latter was to design and supervise the construction of a ten-ton ice-maker. Lees was to receive $1,000 for his services. Such machine was constructed during the summer of 1949 but was not successful. Ice clogged between adjacent ice-removal knives. Only a part of the ice sheet on the drum was removed. The machine was torn down and abandoned. However, Lees received $1,000 pursuant to the agreement.

Treuer, Branchflower and their associates then built an ice machine of their own design. Plaintiff claims this machine utilized unique ice-removal knives. The machine, completed in 1950, proved successful. Several similar machines were built in the latter part of 1950 and were in successful operation at the time the trial herein was held.

During 1950, James Albright, later President of Akshun, attempted to make some arrangement with Branchflower and Treuer for the use of their ice machine, but the nego-

tiations were dropped. In the summer of 1950, Albright arranged for Lees to come to Chicago for the purpose of setting up ice-manufacturing facilities. Albright arranged for Lees to file a patent application on two-part ice-removal blades similar to those used in the machine which he had designed in 1949. Lees left Akshun in the latter part of 1951. Litigation arose between Lees and Akshun over the ownership of the patent applications which had been filed by Lees. The matter was before this Court in *Lees v. Akshun Manufacturing Company, et al.*, 7 Cir., 205 F.2d 577.

On February 14, 1957, Akshun filed suit in the Western District of Wisconsin against Tillman Produce Company charging infringement of Patent No. 2,659,212 and Patent No. 2,683,357 because of Tillman's use of an ice-making machine manufactured by North Star. This case was dismissed on September 28, 1959, upon a stipulation of the parties.

The application for Patent No. 2,659,212 named Gerald L. Lees as inventor. The application disclosed and claimed a particular knife for removing a thin sheet of ice in flakes from the freezing surface on the inside of an upright drum-type ice-making machine. The knives are carried on an arm revolving slowly around the freezing surface. Each knife has a horizontal leading portion with an edge adapted to score and form a groove in the ice. A plurality of knives, one above the other, is present to score the ice into a plurality of parallel-spaced grooves. Each knife also has a trailing portion riding in the groove previously formed by the leading portion. The trailing portion is tilted downwardly at an angle to the direction of movement to force the scored ice downwardly, breaking the bond between the ice and the freezing surface, and thus completing the ice-removal process.

The file wrapper of the Lees Patent No. 2,659,212 shows the application as first filed contained eleven claims. Claims 1, 2 and 3 claimed ice-removal knives, describing the leading portion with its scoring or groove-forming function, and the trailing portion with its angle to direction of movement to force the ice downward.

On July 19, 1951, Lees added Claim 13. This claim was broader than the original claims in that it omitted the leading part of the blade and its scoring or groove-forming function. On December 17, 1951, the Patent Office rejected all then pending claims as unpatentable over prior art patent, Taylor 2,063,770. The applicant replaced all prior claims with eight replacement claims; 14 and 15 claimed the two-part knife; 16 and 17 claimed the two-part method of removing ice. The applicant emphasized that the gist of the claimed invention was a knife having two distinct parts and functions, in which the leading part scores the ice to form a groove after which the trailing part rides in the groove and forces the ice downwardly.

On February 11, 1953, new Claims 14, 15, 16 and 17 were rejected as unpatentable over the Taylor patent disclosure, and combination Claims 18, 19, 20 and 21 were allowed.

On May 13, 1953, Claims 14 and 15 were amended to define the "substantially straight scoring edge" as "of substantial extent," and to describe the tilted shearing edge as "positioned at its forward part to ride in the groove" left by the scoring edge. Method Claims 16 and 17 were amended to limit their scoring function to forming grooves "throughout the extent of the freezing surface."

Patent No. 2,659,212 issued on November 17, 1953 with Claims 14 through 21 as amended becoming Claims 1 through 8 of the patent. All claims in the patent have as a limitation a knife having the two distinct parts serving their separate functions.

We think the District Court was correct in holding that Holden Reissue Patent No. 13,000 did not anticipate. In Holden, vertical cutters chip ice off the inside wall and the chipped ice floats to the top. In Lees' patent in suit, substantially horizontal knives score and wedge ice off the inside wall of the drum and the dry flaked ice falls down and out of the drum.

The Patent Office issued the patent in suit after a full consideration of the other prior art patents principally relied

on by plaintiff. A presumption of validity attaches to the grant of a patent. We think the claimed invention was something beyond what was obvious to persons skilled in the art to which it relates. We sustain the findings and conclusions of the trial court that Claims 1 through 8 of the Lees Patent No. 2,659,212 are valid.

The evidence on the question of infringement is almost entirely documentary or in the form of physical exhibits. We have before us plaintiff's Exhibit 21, a physical exhibit which illustrates the North Star ice-removal knives or tools. There is no leading portion to form or indent a groove in the ice sheet preparatory to and preceding the engagement of the inclined surface with the ice sheet. Instead, there is a simple flat surface sweeping the ice downwardly. Since all portions of the ice-attacking inclined plane extend into the sheet of ice for substantially 95% of the ice thickness, the tool has no portion performing the groove-forming function of the claims of the Lees patent in suit.

Claim 1 of the patent in suit is typical of Claims 1, 2 and 5 through 8 in its definition of the two parts of the knife of the patent in suit. The pertinent parts of Claim 1 are:

"A knife to remove ice . . .

First part { 'having a substantially straight scoring edge of substantial extent adapted to indent the ice to form a groove as it travels thereover,'

Second part { 'and a shearing edge tilted in relation to the scoring edge and positioned at its forward part to ride in the groove to apply pressure transverse to the direction of indentation to shear the bond between the ice and the surface to which it is frozen.' "

Claim 3 is typical of Claims 3 and 4 of the patent in suit. Claim 3 states:

"The method of removing ice . . .

First part { 'compromising the steps of scoring the ice along its exposed surface in a continuous straight line motion throughout the extent of the freezing surface'

Second part { 'and then forcing the ice in direction transverse to the direction of score to shear the bond between the ice and the surface to which it is frozen.' "

It is the "first part" recited in each part of the claims of the patent in suit that is completely missing from the North Star tools.

The accused knives lack an essential element of each of the Lees patent claims. While the accused device and the patented blade both remove ice from a drum, beyond this point the similarity ceases. The mere fact that the same end result is accomplished, is not sufficient to be the basis of a finding of infringement. There is no real identity in the structure and they do not function the same. As we stated in *Independent Pneumatic Tool Co.* v. *Chicago Pneumatic Tool Co.*, 7 Cir., 194 F.2d 945, 947, mere application of claim phraseology is not alone sufficient to establish infringement, nor is the similarity of result. We stated there must be real identity of means, operation and result.

The function of removing ice with a cutter or blade was old before the patent in suit. What was patented is the particular means described for performing the ice-removing function. There cannot be infringement without substantial identity. In the instant case, the North Star tool completely lacks both the element of the leading, scoring, groove-forming edge and also its groove-forming function. Under such circumstances, we hold that the North Star knives did not infringe Claims 1 through 8 of Lees patent in suit.

Had Claim 13 been allowed, it might well have covered the one part accused North Star blade, but since it was rejected

and cancelled by the applicant, the assignee of applicant is estopped to broaden by interpretation, the claims of its patent to embrace that which was given up in the Patent Office.

Pertinent also is the statement in *Weber Electric Co.* v. *E. H. Freeman Electric Co.*, 256 U.S. 668, at pages 677-678, "Having thus narrowed his claim against rotary movement in order to obtain a patent, the patentee may not by construction, or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments, which amount to a disclaimer of rotation as an operative feature of his device."

That part of the judgment of the District Court which held the claims of the patent in suit, No. 2,659,212, to be valid, will be affirmed; also, that part of the judgment dismissing plaintiff's claim for damages by reason of threats of suit by defendant, will be affirmed; that part of the judgment holding Patent No. 2,683,357 to be invalid, will likewise be affirmed; that part of the judgment that the counterclaim of defendant, Kent Industries, Inc., for an injunction and damages by reason of threats of suit by plaintiff, be denied and dismissed, is likewise affirmed. That part of the judgment of the District Court which held that Claims 1 through 8 of the patent in suit were infringed by North Star knives and tools, will be reversed; likewise reversed is the holding of the District Court that plaintiff came into court with unclean hands.

Plaintiff will pay the costs in this Court except that one-half (½) of the costs of printing appellant's appendix shall be paid by Akshun Manufacturing Company, defendant-appellee.

AFFIRMED in part;
REVERSED in part.

A true Copy:
Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit.

JUDGMENT ORDER

[Heading Omitted]

Tuesday, March 20, 1962

Before

Hon. F. RYAN DUFFY, Circuit Judge

Hon. LATHAN CASTLE, Circuit Judge

Hon. FREDERICK O. MERCER, District Judge

NORTH STAR ICE EQUIPMENT COMPANY
Plaintiff-Appellant,
No. 13443 VS.
AKSHUN MANUFACTURING COMPANY, a corporation, and KENT INDUSTRIES, INC., a corporation,
Defendants-Appellees.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division

This cause came on the be heard on the transcript of the record from the United States District Court for the Northern District of Illinois, Eastern Division, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this Court that that part of the judgment of the District Court which held the claims of the patent in suit, No. 2,659,212, to be valid be affirmed; also, that part of the judgment dismissing plaintiff's claim for damages by reason of threats of suit by defendant, be affirmed; that part of the judgment holding Patent No. 2,683,357 to be invalid, likewise is affirmed; that part of the judgment that the counterclaim of defendant, Kent Industries, Inc., for an injunction and damages by reason of threats of suit by plaintiff, be denied and dismissed, is likewise affirmed. That part of the judgment of the District Court which held that claims 1 through 8 of the patent in suit were infringed by North Star knives and tools, is reversed; like-

wise reversed is the holding of the District Court that plaintiff came into court with unclean hands, in accordance with the opinion of this Court filed this day .

It is further ordered and adjudged that Plaintiff pay the costs in this Court except that one-half (½) of the costs of printing appellant's appendix shall be paid by Akshun Manufacturing Company, defendant appellee.

ORDER DENYING PETITION FOR REHEARING

[Heading Omitted]

Thursday, May 24, 1962

Before

Hon. F. RYAN DUFFY, Circuit Judge

Hon. LATHAM CASTLE, Circuit Judge

Hon. FREDERICK O. MERCER, District Judge

NORTH STAR ICE EQUIPMENT COMPANY,
Plaintiff-Appellant,
VS.
No. 13443
AKSHUN MANUFACTURING COMPANY, et al.,
Defendants-Appellees.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

IT IS ORDERED by the Court that the petition for a rehearing of this cause be, and the same is hereby, DENIED.

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SEP 13 1962
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1962.

No. 343

AKSHUN MANUFACTURING COMPANY, A CORPORATION, AND KENT INDUSTRIES, INC., A CORPORATION,
Petitioners,

vs.

NORTH STAR ICE EQUIPMENT COMPANY,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

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THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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Petitioners,

vs.

NORTH STAR ICE EQUIPMENT COMPANY,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

To The Honorable Chief Justice and the Associate Justices of The Supreme Court of the United States:

OPINIONS BELOW.

The findings of fact and conclusions of law set out in petitioners' Appendix "A" were entered by the United States District Court for the Northern District of Illinois on March 31, 1961, and the judgment order was signed on April 25, 1961. The District Court's decision held Albright patent 2,683,357 to be invalid and not infringed and held Lees patent 2,659,212 to be valid and infringed. The unanimous opinion of the United States Court of Appeals

for the Seventh Circuit (301 Fed. 2d 882) affirmed the holding of invalidity of patent 2,683,357 and reversed that part of the District Court judgment which held claims 1-8 of patent 2,659,212 to be infringed.

JURISDICTION.

The jurisdictional requisites are adequately presented in the Petition.

QUESTIONS PRESENTED.

The questions of petitioners do not present an adequate legal analysis of the decision by the Court of Appeals for the Seventh Circuit. The appeal before the Court of Appeals was determined by affirmative answers to the following questions:

1. Is the Court of Appeals correct in concluding that patent claims (Patent No. 2,659,212), found by the District Court to be specifically limited to a two-part knife performing a two-step function, cannot be expanded to encompass a one-part knife performing a one-step function?

2. Is the Court of Appeals correct in concluding that patent claims (Patent No. 2,659,212), found by the District Court to be specifically and intentionally limited by the patentee in the Patent Office to a two-part knife performing a two-step function to avoid earlier prior art patents cited by the Patent Office, cannot now be expanded to reclaim that which was abandoned in the Patent Office, namely, a one-part knife performing a one-step function?

Petitioners' question numbered (2), relating to "subservient fact issues which were not expressly included in the trial court's findings of fact", does not present an issue which, even if answered favorably for Petitioners, would change the decision of the Court of Appeals.

Petitioners' question numbered (3) is an exercise in se-

mantics and is without substance. Petitioner is referring to Albright Patent No. 2,683,357 which was held to be invalid by both the District Court and the Court of Appeals. Petitioners do not argue herein that the decisions of invalidity are not correct.

STATEMENT OF THE CASE.

The Court of Appeals for the Seventh Circuit accepted the findings of the District Court which outlined in detail the scope and limitations of the Lees Patent No. 2,659,212. (District Court findings 7, 8, 8 second occurrence, 9, 10 and 11, Petitioners' Appendix at pages A-2 through A-4; Court of Appeals decision, Petitioners' Appendix at pages B-3 and B-4.) The conclusions of the District Court (finding 11) and the Court of Appeals (Petitioners' Appendix, page B-4) were substantially identical, that is, that "All claims in the patent have as a limitation a knife having the two physically distinct parts serving their separate functions." (Printed Record, page 272.)

The patented ice-removal blade had a first part sloping outwardly toward the ice-drum wall so as to gradually score and indent a groove in the ice. The distinct second part of the blade trailed and worked in the groove to push downwardly on the ice to break it free from the drum wall.

The Court of Appeals also agreed with the District Court's second finding No. 8* which stated (Printed Record, page 271):

> "On July 19, 1951, as shown by the file wrapper, Lees added a new claim 13 to his application for patent 2,659,212. Claim 13 was broader than the original claims in that it *omitted the leading part of the blade* and its scoring or groove-forming function. Claim 13 claimed only the trailing part of the knife which is

* The District Court numbered two separate findings "8", see Petitioners appendix page A-3.

at an angle to the direction of movement of the knives, and would, had it been allowed, read on wedge-type *one-part ice removal tools.*" (Emphasis added.)

The opinions of the District Court and of the Court of Appeals both disclose that this claim was abandoned by the patentee in the Patent Office, and thereafter the claims which were allowed by the Patent Office were specifically limited to *two-part ice removal knives* and to a *two-step method* or function performed by such knives. (Plaintiff's Exhibit 4, file wrapper of Lees Patent No. 2,659,212, Printed Record, pages 212-253.)

After accepting the findings of the District Court upon these basic factual issues, the Court of Appeals examined the accused ice removal tool (Plaintiff's physical Exhibit 21 referred to in the District Court finding No. 12, Petitioners' Appendix page A-4) and the documentary evidence descriptive of the structure and function of the tool to determine whether this tool had the structural and functional attributes of the knives defined in the limited claims of Patent No. 2,659,212.

The Court of Appeals determined that Plaintiff's physical Exhibit 21 was a *one-part tool* which performed a *one-step function.* (Petitioners' Appendix, B-5, B-6.) The North Star tool was therefore not embraced by the claims of Patent No. 2,659,212; in fact, the tool was specifically of that type which Petitioners had abandoned and excluded from its patent. (Petitioners' Appendix, B-6, B-7.)

Petitioners' statement (page 4) erroneously alludes to extensive expert testimony at trial directed to the alleged infringing operation of Plaintiff's physical Exhibit 21. The two witnesses, Lees and Watkins, to whom Petitioners refer had never seen blades of the type of Plaintiff's Exhibit 21 prior to trial. The first time the witness Leos saw the type

of blade illustrated by Plaintiff's Exhibit 21 was "Here in court." (Printed Record 160, 161.)

The witness Watkins was asked if he had observed the operation of blades like the accused infringing tool (Plaintiff's Exhibit 21) and he confessed, "No, I have not. I don't dare to say that I have. I have seen ice machines, but I have not paid any attention whatsoever to the blades. It hasn't been my job to get in there and look." (Printed Record, page 202.)

Petitioners' inference in its petition (pages 3 and 4) that the trial was of 10 days duration and that 700 pages of the record were devoted to the issue of infringement is not correct. The trial of the case in the District Court transpired on portions of the days, June 21, 22, 23, 24 and 27, 1960. (Printed Record, page 1.) The approximately 700 pages represent the entire transcript of record which included testimony concerning the issues that Lees was not in fact the inventor, the prior art references, the Patent Office prosecution, file wrapper estoppel, unfair competition and other issues relating to Albright Patent No. 2,683,357.

Petitioners are essentially dealing in semantics. Although the Court of Appeals for the Seventh Circuit clearly explained why the District Court decision was erroneous, Petitioners take refuge in the fact that the Court of Appeals did not expressly use the words "clearly erroneous." This is the whole basis of Petitioner's argument.

Petitioners know that great portions of their Appeal Brief and of their oral argument before the Court of Appeals were devoted to the application of Rule 52a to the issue of infringement. The Court of Appeals applied the correct criterion of law to the facts as found by the

District Court and reversed the lower court decision on infringement.

Petitioners object to the reversal of the lower court holding of unclean hands. The only basis for the holding was that North Star had appropriated the invention of the patent in suit. The Court of Appeals correctly held that the Respondent's ice removal tool did not use or appropriate the invention, which holding of necessity disposed of this issue.

ARGUMENT.

The present case is the usual and ordinary type of patent infringement suit. The case presents no issue of public interest or public importance which should induce this court to grant the petition. The controversy is between a patent holding company and a manufacturer. The patents involved have not been litigated in any other circuit.

STANDARD OF APPELLATE REVIEW CORRECTLY APPLIED.

The Court of Appeals applied the correct standard of appellate review to the findings of the District Court in accordance with the principles of *Graver Tank & Mfg. Company* v. *Linde Air Products Company*, 336 U. S. 271 (1949); 339 U. S. 605 (1950), and other cases of this court, specifically, *United States* v. *Oregon State Medical Society*, 343 U. S. 326 (1952); *United States* v. *Yellow Cab Company*, 338 U. S. 338 (1949); *United States* v. *United States Gypsum Company*, 333 U. S. 364 (1948). Even the Petitioners' argument asserts only a "probable conflict" with the *Graver* case. The fact is that there is no conflict.

Petitioners know that the Court of Appeals for the Seventh Circuit is particularly aware of the applicability of F. R. C. P. 52a to patent cases. Perhaps no other Court of Appeals has gone into the matter more carefully and thoroughly in following the mandates of the Supreme Court. Very recently the Court of Appeals for the Seventh Circuit sat *en banc* to consider the proper standard of appellate review as related to Rule 52a. (*Armour & Co.* v. *Wilson & Co.*, 274 Fed. 2d 143, 1960.) This case is in

harmony with the decisions of this Court; in fact, it shows the extreme care that the Court of Appeals for the Seventh Circuit attaches to its review of District Court findings.

DISTRICT COURT FINDINGS—PATENT 2,659,212.

The Court of Appeals accepted the findings of the District Court defining the scope and limitations of claims of Patent No. 2,659,212. It accepted the finding (No. 8, second occurrence) that the patentee unsuccessfully attempted during prosecution in the Patent Office to obtain a broader claim which would embrace and encompass the accused device. It noted, as did the District Court, that this broader claim was abandoned in the Patent Office by the patentee.

The Court of Appeals then examined the accused North Star ice removal tool to determine whether or not it contained the structure set out in the District Court findings which defined the scope and limitations of the claims of Patent No. 2,659,212. The Court stated (Petitioners' Appendix, B-5):

> "We have before us Plaintiff's Exhibit 21, a physical exhibit which illustrates the North Star ice-removal knives or tools. There is no leading portion to form or indent a groove in the ice sheet preparatory to and preceding the engagement of the inclined surface with the ice sheet. Instead, there is a simple flat surface sweeping the ice downwardly. Since all portions of the ice-attacking inclined plane extend into the sheet of ice for substantially 95% of the ice thickness, the tool has no portion performing the groove-forming function of the claims of the Lees patent in suit."
>
> • • • • •
>
> "It is the 'first part' recited in each part of the claims of the patent in suit that is completely missing from the North Star tools."

Thus, the accused device did not contain the structure set out in the plain language of the patent claims. The only question remaining was whether the claims were entitled to be broadened by interpretation.

FILE WRAPPER ESTOPPEL.

The Court of Appeals then examined the prosecution history of Patent No. 2,659,212 in the Patent Office (Plaintiff's Exhibit 4, Printed Record 212-253) to determine whether or not the patentee was estopped *by his actions* in the Patent Office in abandoning the one-part blade claim, to broaden the patent claims to encompass the structure of the accused ice removal tools. The Court of Appeals unanimously found, as did the District Court, that each of the claims of the patent in suit was specifically limited to a two-part knife performing a two-step function; and that the patentee had abandoned claim 13 of the patent application which was directed to a one-part tool of the North Star type.

These findings of the District Court, adhered to by the Court of Appeals, compelled the Court of Appeals *as a matter of law* to the conclusion that there was no infringement. The Court of Appeals quoted this Court's decision in *Weber Electric Co.* v. *E. H. Freeman Electric Co.*, 256 U. S. 668 (1921), at pages 677-678:

> "Having thus narrowed his claim against rotary movement in order to obtain a patent, the patentee may not by construction, or by resort to the doctrine of equivalents, give to the claim the larger scope which it might have had without the amendments, which amount to a disclaimer of rotation as an operative feature of his device."

This rule of law was reiterated in *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U. S. 126 (1942) wherein this Court stated at page 136:

> "Whatever may be the appropriate scope and application of the doctrine of equivalents, where a claim is allowed without a restrictive amendment, it has long been settled that recourse may not be had to that doctrine to recapture claims which the patentee has surrendered by amendment."

See also, *Hubbell* v. *United States*, 179 U. S. 77, 80 (1900); *I. T. S. Rubber Co.* v. *Essex Rubber Co.*, 272 U. S. 429, 433 (1926).

CONCLUSION.

The Court of Appeals for the Seventh Circuit applied the proper standard of appellate review to the findings of the District Court. The Court of Appeals accepted the findings of the District Court which set up the file wrapper estoppel. The accused physical exhibit No. 21 was observed to be the type of structure abandoned by the patentee in the Patent Office so that the application of the law of file wrapper estoppel compelled a reversal of the lower court finding of infringement. The Petition should be denied.

September 14, 1962.

Respectfully submitted,

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No. 343

In the

Supreme Court of the United States

OCTOBER TERM, 1962

AKEHUN MANUFACTURING COMPANY, a corporation, and KENT INDUSTRIES, INC., a corporation,
Petitioners,

v.

NORTH STAR ICE EQUIPMENT COMPANY,
Respondent.

On Petition for A Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

REPLY MEMORANDUM FOR PETITIONERS

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WARWICK PRESS, INC.—2363 VALDINA STREET—DALLAS—RE 1-3150

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To facilitate this Court's consideration of the Petition for Certiorari, this short reply will point up the respective positions of the parties, particularly in reference to the importance of this case and its conflict with *Graver Tank & Manufacturing Co. v. Linde Air Products Co., 336 U. S. 271, 339 U. S. 605.*

1. Petition Correctly States Questions Presented

Contrary to Respondent's contention (Brief in Opposition, pp. 2-3), the Questions Presented here do not involve for this Court a re-determination of the facts showing infringement. The trial court has already found the facts. The issue *here* is whether a court of appeals may: (1) disregard the trial court's findings of fact which were not clearly erroneous, and (2) determine the facts de novo, all because a portion of the trial record consisted of exhibits and other documentary evidence. This case directly concerns the scope of appellate review in patent cases. This problem is one of substantial public importance in which there is a great need for Supreme Court precedence. Respondent contends that the instant cause is but a usual and ordinary patent infringement case (Brief in Opp. p. 7). If it is the usual practice of the courts of appeal to try patent cases as trial de novo actions, then Petitioners submit this is all the more reason why this Court should speak. To permit such arbitrary fact finding disrupts the entire balance of appellate and trial court functions in this important area. The hundreds[1] of patent infringement cases tried annually in our courts present more than their fair share of protracted litigation. See Seminar on Protracted Cases for United States Judges, Problems in Patent Cases, 23 F.R.D. 319, 519-551 (Seminar conducted under auspices of the Judicial Conference of the United States).

[1] Annual Report of Director of Administrative Office of the United States Courts (1961), 767 patent cases commenced, fiscal year 1961, Table C2, p. 239; 807 patent cases terminated, Table C4, p. 247.

2. Respondent's Brief Expressly Misrepresents the Nature of the Third Question Presented

The trial court expressly refused to give the Respondent-Petitioner a declaratory judgment that the second patent in suit (#2,683,357) was either invalid or if valid not infringed because Respondent-Plaintiff had come into court with *unclean hands.*[2] The Seventh Circuit summarily held that the patent was invalid and stated in so doing that it was affirming the trial court's judgment. To Petitioner's complaint of such flagrant appellate conduct, third Question Presented, Respondent answers that the question "is an exercise in semantics and is without substance." (Brief in Opp. pp. 2-3.) Respondent does not even claim the trial court's thorough findings of unclean hands and bad faith is in error (Findings 13, 14, 15, App. A, Pet. for Cert., pp. A-4–A-5). Instead, Respondent argues that such fact determination is irrelevant because the *Seventh Circuit determined* the Respondent was not guilty of infringement in reference to another patent (Brief in Opposition, p. 6).

3. Decision Below Does Conflict With Graver Tank & Manufacturing Company v. Linde Air Products Company, 336 U. S. 271 and 339 U. S. 605

Respondent argues no conflict exists because Petitioners only argued a *probable* conflict (Brief in Opposition, p. 7).

[2] Respondent's principal, Branchflower hired inventor to build ice machine (inventor did not give up rights). After machine was found to work, Respondent "wrongfully appropriated" the invention and went into the ice machine business. See trial court's findings 13, 14, 15; App. A, Pet. for Cert., pp. A-4—A-5. Branchflower arranged for the inventor to disclose facts of invention to a patent attorney and then hired the same attorney in an unsuccessful attempt to obtain the patent. Respondent now claims not to be infringing. However, in the Canadian litigation, Branchflower again claims to be the inventor. See this Reply, p. 7, *infra.*

While it would seem that the Respondent is the one playing with semantics, Petitioners submit that they should not be penalized for understating their case. Conflict exists with *Graver* because the appellate court determined crucial and indeed *controlling* facts *de novo* rather than reviewing the trial court's findings under the clearly erroneous rule. Respondent implicitly recognizes this error by its quotation of the Seventh Circuit opinion:

> "We have before us Plaintiff's [Respondent's] Exhibit 21 * * * *'There is no leading portion to form or indent a groove in the ice sheet preparatory to and preceding the engagement of the inclined surface with the ice sheet.* Instead, there is a simple flat surface sweeping the ice downwardly. Since all portions of the ice-attacking inclined plane extend into the sheet of ice for substantially 95% of the ice thickness, the tool has no portion performing the groove-forming function of the claims of the Lees patent in suit.' * * *" (Brief in Opp. p. 8; *301 F. 2d 882, 885*; emphasis added.)

Such de novo *finding* by the *appellate court* is *contrary* to facts as found by the trial court *and to the evidence*. The trial court found:

> "12. The North Star ice removing tools exemplified by plaintiff's exhibit 21 *do have the leading portion element* of the knives called for in each claim of patent 2,659,212. The North Star ice-maker ice removal knives infringe claims 1 and 2 of the Lees patent in suit; the method by which the North Star knives operate infringe method claims 3 and 4[3] of the said patent in suit; and the North Star ice machines which incorporate the said infringing tools infringe combination claims 5, 6, 7 and 8 of the said patent in suit." (App. A, Pet. for Cert., p. A-4, emphasis added.)

[3] See note 4, *infra*.

The evidence in the record shows:

Cross-examination by Respondent of Petitioner's expert witness Watkins (Respondent-Plaintiff offered no expert testimony).

"Question: It has also been said that the lower surface is at a four or five degree to the direction of movement of the knife. Would you agree it is tilted?

"Watkins: Yes, it is tilted.

"Question: In that direction?

"Watkins: Yes.

"Question: The part of the knife at the front is quite sharp, is it not?

"Watkins: Yes, it is.

"Question: The part that you refer to as first in entering or engaging the ice?

"Watkins: Yes.

"Question: May I ask, sir, that if the bottom plane is tilted to the direction of movement, does not that blade immediately begin to push the ice down the wall as it contacts the ice, the very front of the blade?

"Watkins: As soon as it enters, if does, yes." (Tr. pp. 685-686.)

Additionally, Respondent admitted the basis for trial court's finding 12 by its own service manual.[4] Thus, the Seventh

Respondent's (North Star's) Service Manual	Claim 4 of Petitioner's Patent No. 2,659,212
"* * * the tools enter the ice, the ice is parted at intervals of about one and a half inch . . .	"* * * scoring the ice along its exposed surface in an array of spaced grooves throughout the extent of the freezing surface
and	*and*
a downward thrust is exerted on the edge of the ice, thus affecting ice removal."	then forcing the ice in the direction transverse to the direction of scoring by pressure applied along the grooves to shear the bond between the ice and the surface to which it is frozen."

[4] Respondent's principal admitted their service manual described how the North Star machines functioned. Tr. p. 103; See Pet. for Cert., p. 11, Printed Appendix Brief for Pl.-App., pp. 260-261.

Circuit findings are demonstratively fallacious. In order for the Respondent's knives to extend into the ice they must necessarily enter the ice. The only way the knives can enter the ice is for the leading edge to cut into the ice.

The utter impossibility of the Seventh Circuit's findings being correct is one reason why Rule 52 properly confines appellate courts to reviewing the finding of the trial court instead of de novo functions. Here, the trial judge was well aware of the fact problems and the importance of expert testimony.[5] This Court, in *Graver*, directly held Federal Rule of Civil Procedure 52(a) applicable to patent infringement cases:

> "To no type of case is this last clause [of rule 52] more appropriately applicable than to the one before us, here the evidence is largely the testimony of experts as to which a trial court may be enlightened by scientific demonstratives." *336 U. S. 271, 274.*

Petitioner submits that the Seventh Circuit opinion is in such *direct* conflict with the *Graver* holding that this Court would even be warranted in *summarily reversing*.

4. No File Wrapper Estoppel Exists

The Respondent's argument of file wrapper estoppel is without merit. As Petitioner had previously pointed out (Pet. for Cert., p. 11), the determination by the trial court

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[5] "By Mr. Wood [counsel for Respondent]: We have felt that they [exhibits] speak for themselves. It is almost a matter of argument in such a simple thing.

"By the [trial] Court: They speak for themselves if the judge has an ear that can understand them, but these exhibits don't speak so well as I hear it from the witness stand from an expert who impresses me or with the one who doesn't impress me.

"It is not easy to follow a patent case and to retain different versions of it, but it is easier to follow them by expert testimony." (Tr. pp. 721-722).

that the Respondent's device infringed the valid and allowed claims of Petitioner's invention, factually precludes resort to the estoppel doctrine. (See Finding 12, set out this Reply p. 4.) The Seventh Circuit's argument on estoppel rests entirely on its erroneous rejection on the trial court's finding 12 (p. 5, *supra*). Respondent's brief (p. 9) does not even attempt to meet the Petitioner's argument (Pet. for Cert., p. 11).

5. Litigation in Other Courts

Respondent urges that certiorari be denied because "the patents involved have not been litigated in any other circuit." (Brief in Opposition, p. 7.) The above statement is now true. However, there is litigation involving the same subject matter in the Exchequer Court of Canada styled Lyle E. Branchflower (Principal of Respondent here), Plaintiff, and Akshun Manufacturing Company, Defendant, court number 159052. In the case at bar Respondent claims not to have infringed Petitioner's patent. In the case in Canada Respondent's Principal claims to be the inventor of the device covered by Petitioner's United States patent. As previously noted, the trial court expressly found that the Respondent was wrongfully attempting to pirate Petitioner's patent.[6] The erroneous Seventh Circuit opinion could cause difficult comity problems in the Canadian litigation. In addition, if the Seventh Circuit opinion stands, it necessarily will foster other litigation on the patents in other circuits. A ruling by this Court now can preclude the necessity for considerable protracted litigation.

[6] See note 2, p. 3, *supra*.

6. Valid Reasons For Granting Writ Exist

The Petition for Certiorari presented two recognized grounds for Supreme Court review: (1) an important question concerning the application of Rule 52 to Patent cases in which the decision below was in conflict with an applicable decision by this Court, and (2) a striking departure from the accepted standard of appellate review calling for an exercise of this Court's supervisory powers. The validity of these reasons is detailed by references to the trial and appellate court opinions and to the record. Respondent's counter argument relies basically upon the fact conclusion of the appellate court and thus begs the very issue at hand. Moreover, Respondent suggests this Court should not grant certiorari because the Seventh Circuit in other cases has applied the clearly erroneous mandate of Rule 52. (Brief in Opp. pp. 7-8.) Rule 52 is not a rule of convenience which the Seventh Circuit can arbitrarily apply to its own choosing. And while the courts of appeal are normally the terminal court in patent litigation, this is because the Supreme Court is primarily concerned with important questions of law and not specific fact disputes of infringement. The case at bar, however, presents the broad question of law involving the standard of appellate review, a question all the more important for this Court to decide because the circuit courts, who must apply such rule, are apt to be the courts of last resort in patent cases. Although the Petitioner believes the *Graver* decision in itself is sufficient to warrant reversal of the instant case, over 10 years have

passed since that decision with a corresponding increase in the need for this Court to completely clarify the application of Rule 52.

CONCLUSION

For the foregoing reasons, the Petition of Certiorari should be granted.

Respectfully submitted,

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